

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

)	
In the Matter of	)	IB Docket No. 02-286
	)	File Nos. ISP-PDR-20020822-0029;
GLOBAL CROSSING, LTD.	)	ITC-T/C-20020822-00406
(Debtor-in-Possession),	)	ITC-T/C-20020822-00443
	)	ITC-T/C-20020822-00444
Transferor,	)	ITC-T/C-20020822-00445
	)	ITC-T/C-20020822-00446
and	)	ITC-T/C-20020822-00447
	)	ITC-T/C-20020822-00449
	)	ITC-T/C-20020822-00448
GC ACQUISITION LIMITED,	)	SLC-T/C-20020822-00068
	)	SLC-T/C-20020822-00070
Transferee	)	SLC-T/C-20020822-00071
	)	SLC-T/C-20020822-00072
Application for Consent to Transfer	)	SLC-T/C-20020822-00077
Control and Petition for Declaratory	)	SLC-T/C-20020822-00073
Ruling	)	SLC-T/C-20020822-00074
	)	SLC-T/C-20020822-00075
	)	0001001014
)	

**COMMAXXESS' SUPPLEMENTAL RESPONSE IN OPPOSITION
TO THE APPLICANTS FOURTH AMENDED APPLICATION FOR CONSENT TO
TRANSFER CONTROL AND PETITION FOR DECLATORY RULING.**

COMMAXXESS provides the following as a supplemental response to the June 30, 2003 filing submitted by the Applicants as the "Fourth Amendment for Consent to Transfer Control and Petition for Declaratory Ruling" to matters filed before this Commission and the Applicants endless quest to "influence peddle" their way around this Commission.

Some say "the devil is in the details" and when it comes to Global Crossing such is as true as anything is true.

On August 27, 2003, this Respondent disclosed to this Commission and to CFIUS the make up of the Unsecured Creditors Committee of Global Crossing in its Chapter 11 cases. This filing discloses why that point was brought up as a reminder to this Commission.

The Global Crossing Unsecured Creditors Committee¹ includes the following companies as members. The following members of that committee shown in bold are so indicated due to matters addressed later in this ECFS filing:

Co-chairs

Alcatel and affiliates

PPM America

Members:

The Bank of New York

Dupont Capital Management

Hartford Investment Management

Lucent Technologies

Teachers Insurance and Annuity

Wilmington Trust

Verizon Communications

Aegon USA Investment Management

Wells Fargo Bank, Minnesota

U.S. Trust Company

Debtor Counsel in the Global Crossing Chapter 11 bankruptcy is the law firm of Weil Gotshal & Manges (“WGM”), New York, NY. On the day this chapter 11 case and the consolidated subsidiary cases were commenced on January 28, 2002, WGM filed documents as well disclosing relationships that they have with “parties in interests in unrelated matters”. “Unrelated” depends on two things; i.) one’s viewpoint; and ii.) how this Chapter 11 has progressed due to such “unrelated” relationships.

The Respondent has separately filed a copy of the PDF that discloses the following immediately after this document was filed:

**“AFFIDAVIT OF WEIL, GOTSHAL & MANGES LLP AND
DISCLOSURE STATEMENT PURSUANT TO BANKRUPTCY
CODE SECTIONS 327, 328(a), 329 AND 504 AND FEDERAL
RULES OF BANKRUPTCY PROCEDURE 2014(a) AND 2016(b)**

On page 5 of this document (page 15 of 49 of the combined documents) is the following:

**WG&M’s Connections with Parties in Interest
in Matters Unrelated to these Chapter 11 Cases**

Page 6: **Aegon, Lender, Current Client**

¹ Applicants Disclosure Statement filed with SDNY bankruptcy court, page 58.

Aegon sits on the Unsecured Creditors Committee of Global Crossing.

Page 6: Bank of Montreal, Lender, Current Client and Teleconferencing is mostly headed to Montreal.

Bank of Montreal is identified as one of the Secured Creditors

Page 6: **Bank of New York is identified as one of the Secured Creditors** within the Debtor's Counsel Affidavit.

Why are they sitting on the **Unsecured Creditors Committee** of Global Crossing and that committee is; i.) impeding a settlement other than STT and blocking higher and better offers that represent no national security risk to the United States; and ii.) contains within its body the \$600,000,000 in Frontier debt left on the debtor books and probably is not a legitimate claim against the debtor or should be litigated and moved to the books of Citizens Communications.

Page 6: Bank of Nova Scotia, Lender, Current Client

Page 7: Canadian Imperial Bank of Commerce ("CIBC"), Underwriter or Agent, Current Client.

Multiple media reports have addressed that former Milken co-defendants went with CIBC and that bank made approximately \$2.0 billion on Global Crossing shares. The CIBC entity was also involved at the "GC Partners" level in the Cayman Islands and kept its holdings there after Global Crossing Ltd was formed in Bermuda.

CIBC is 10% or more owned by Li Ka-shing and the current prime minister of Canada Jean Chretien is a former executive with Gordon Capital, formerly tied to CIBC.

Page 7: Cisco Systems, Inc, Strategic Partner, Current Client (referred to in the Debtor's Disclosure Statement as one of the Big Eight Vendors.)

Page 8: Deutsche Banc Alex Brown, Lender, Underwriter, Current Client

Page 9: Goldman Sachs & Co., Lender, Underwriter, Advisor to Prospective Investor

Page 9: Imperial Credit Industries, Lender, Current Client.

Imperial Credit Industries loaned \$550 million to a yet to be identified group named Pacifica Partners I, LP and managed that account for Pacifica Partners. Pacifica Partners was one of the "lock up noteholders" in the Williams Communications bankruptcy and no other bids were allowed in the door except Leucadia National, an

insurance company that owns a winery, mining and has now located offshore in the Bahamas.

Compare search results to current website:

“Imperial Credit Industries Reports Fourth Quarter And Year Ended, ... deterioration of credit quality in the CLO's \$490.6 million loan and bond portfolio. The Pacifica Partners I CLO is managed by Imperial Credit Asset Management... www.icii.com/docs/PR_2-8-02.htm - 53k

The content is available at the link² below.

Earlier this year, ICII sold the Pacifica Partners I fund to a Bahamas registry company, Alcentra³. Note that Leucadia National is also a Bahamas registry company.

“Alcentra Acquires Imperial Credit Asset Managers (ICAM)

Hamilton, Bermuda (March 28th 2002) - Alcentra acquired Imperial Credit Asset Managers (ICAM) from Imperial Credit Industries, a diversified financial services company in California. Alcentra is an asset management group focused on the leveraged debt markets. The Alcentra Group is majority owned by the Alchemy Investment Plan, a Guernsey based private equity investment plan with the balance held by Alcentra's management team. Alchemy is a private equity asset management group specializing in buy-outs, buy-ins and the provision of later stage development capital.

ICAM was established in 1997 and is the Portfolio Manager of Pacifica Partners I, a collateralized Debt Obligation fund ("CDO"). Through its strong relationships within the US leveraged finance market and a focused and disciplined credit process, ICAM has established an enviable track record managing broadly diversified pools of non-investment grade loans and securities.

Christopher Damico, previously a Managing Director within Morgan Stanley's European Financial Sponsors group, and Stephen Bruce, founder and Managing Director of ICAM, manage Alcentra. Christopher Damico is group Chief Executive Officer and responsible for the London based operations while Stephen Bruce is the group's Chief Operating Officer and manages the US team. During the next year, the group will create two additional CDO funds, one in Europe and one in the United States. As is the case with Pacifica, the group will invest primarily in leveraged loans.”

March 28, 2002

² http://216.239.57.104/search?q=cache:0b3uAvfOCB8J:www.icii.com/docs/PR_2-8-02.htm+Imperial+Credit+Pacifica+%22Imperial+Credit%22&hl=en&ie=UTF-8

³ <http://www.alcentra.com/flashset.php>

Imperial Credit Industries and Pacifica Partners are both being named in a RICO action being prepared on behalf of over 56,000,000 shares of WCG common stock and many of the non-lock up bondholders.

On the day The Williams Companies (TWC) spun off Williams Communications Group (WCG) on April 23, 2001 there was a plan in place to lure as much as possible from common shareholders and blow them all out in a Chapter 11 bankruptcy commencing exactly one year later.

They waited 365.25 days until 9:15 pm, April 22, 2002 to file the Chapter 11 as a lock up bankruptcy so the bankruptcy code and the court would not be able under U.S. law to inquire back beyond that one year statute of limitation. Former management in the form of documents and witnesses have come forward to this Respondent and that precipitated over 1,850 shareholders holding approximately 56,000,000 to come forward as well to join in a RICO action.

Page 9: JPMorgan Chase, Lender, Current Client

Page 10: Pacific Century Cyberworks (PCCW)⁴, Vendor, Current Client.

Hong Kong, founded by Richard Li, son of Li Ka-shing.

Page 10: PPM America, Lender, Former Client

PPM America, Joel Klein are the co-chairs of the Global Crossing Unsecured Creditors Committee. PPM was also directly involved in the WCG Chapter 11 as one of the Lock Up Noteholders.

Page 10: Royal Bank of Canada, Lender, Current Client, one of the GX Secured Creditors.

Page 10: Salomon Smith Barney, Inc., Underwriter or Agent, Current Client.

Page 11: Travelers Casualty and Surety Company of America, Litigation Party Current Client

Page 11: Travelers Companies Lender Current Client

Note that there is no disclosure regarding Cable Systems Holdings, Ltd, a known venture capital investment of CitiGroup Venture Capital and in bed with

⁴ <http://www.union-network.org/unimultinationals.nsf/0/790b85c2a41ad3f1c12568970039442f?OpenDocument>

Global Crossing on multiple fronts. See IXNet⁵ and IPC matters previously disclosed to this Commission.

Page 12: United States Trust Company, Indentured Trustee for Bondholders, Current Client.

Page 13 of the WGM affidavit, **May be Related to a Client**

Alcatel, SA, sits on the Global Crossing Unsecured Creditors Committee as co-chair.

Page 14: Trust Company of the West ("TCW"), Lender, May be Related to a Client, GX director and insider Mark Attanasio and former Milken co-defendant.

On pages 16 and 17:

"17. Because distressed bank and note debt is actively traded in the commercial markets, WG&M may be unaware of the actual holder of such debt at any given moment. Because WG&M represents in unrelated matters numerous entities that may buy and sell distressed debt of chapter 11 debtors, out of an abundance of caution, I am listing here many such entities represented by WG&M: **Salomon Smith Barney [subsidiary of CitiGroup, also owns Cable Systems Holdings]**, Donaldson Lufkin Jenrette, JP Morgan/Chase Manhattan Bank, Bank of America, Bay Harbour Management, Mackay Shields, Perry Corporation, Whipporwill Associates, **Teachers Insurance Company, [sits on the Global Crossing Unsecured Creditors Committee]** Elliott Associates, Morgens Waterfall Vintiades & Co., Oaktree Associates, Argent Capital, **AIG Corporation [involved in almost every GX new issue of debt and equity securities]**, **Leucadia Corporation [now trying to get in to buy Global Crossing after the WCG Chapter 11 Lock Up]**, Halcyon Management Co., Bennett Management Co., Resurgence Asset Management Co., and M.D. Sass & Co. Generally, WG&M does not represent any of such entities in connection with the purchase or sale of distressed debt."

On Exhibit A, pages 1 through 5, is finally a complete listing of all Global Crossing entities involved in this Chapter 11 as consolidated cases and not under this bankruptcy or in receivership at this time. (see pages 30-34 of 49, total document count).

EXHIBIT A

Global Crossing Entities

⁵ COMMAXXESS comments, June 6, 2003.

Page 5 of Exhibit A:

212. StarHub Crossing Pte. Ltd. (Singapore)

Applicant STT recently disclosed that it owns StarHub and it is believed that Global Crossing has yet to disclose to this Commission that it has direct ties to StarHub in any manner. Such information is required of their own volition as part of the FCC applicant process.

STT is an insider and restricted by the U.S. Bankruptcy Code as to their having exclusive and sole right to acquire Global Crossing assets. That is, if the system were working without being interfered with, the deck stacked, or certain parties trying to manipulate the process to; i.) make a lot of money in China; and ii.) not get caught as to how Global Crossing engineered a fraud on the markets and the investing public.

Exhibit A, Page 13, subsection "SECURED CREDITORS"

2. Aegon USA, Inc.

6. Apollo Advisors

45. Goldman Sachs & Co.

71. PPM American Incorporated

The WGM document was filed as an affidavit, under penalty of perjury, and its contents raise some serious questions. Did they misstep under oath, or did someone finally tell the truth and it slipped through unnoticed?

1. If Aegon is a Secured Creditor as sworn to under oath, what are they doing sitting on the Unsecured Creditors Committee of Global Crossing?
6. Apollo Advisors is Leon D. Black, a general partner in Blackstone Group, former co-worker with Winnick and a former Michael Milken co-defendant. It is highly unlikely that Blackstone Group is not representing its own interests and is conflicted in the bankruptcy as Financial Advisor to the Debtor. This is especially true when Blackstone controls other telecoms that have contracts with the Debtor and those contracts are not being scrutinized, rejected or modified under the Chapter 11 plan of reorganization.
45. Goldman Sachs is listed as a "Current Client" and as a "Secured Lender". That firm would be conflicted under the U.S. Bankruptcy Code to be representing any "Prospective Investor".

71. PPM America is listed as a “Secured Creditor”. What are they doing as the co-chair of the Unsecured Creditors Committee?

The answer is quite simple: to control the process and block out all solutions except the solution they want.

There has been much written about investigations of capacity swap fraud, IRU booking and accounting fraud, but that is not what we found in multiple telecoms. We uncovered a distinctly different form of fraud and then a pattern of not filing “Proof of Claims” in bankruptcy to collect anything on “plug numbers” we found on the books of multiple telecoms.

Once these “plug numbers” were identified, many having no supporting contracts that the “debt” or the “credit” was even owed or receivable, we dug to the bottom of what turned out to be a very dirty and rotten barrel of apples. The plug numbers are a result of using technology to tweak LDDD revenues, almost always offshore and almost always cash amassing offshore off the books.

To grasp this, merely look at the ability of technology to do whatever it is told to do within certain limitations, and the international nature of billing, cash settlements, transfers, the Global Crossing affinity for “trading systems”, and that much of their revenues are settled offshore, by intent.

It is either a billing fraud against other competitors or a means of removing cash from the books in an undetected manner and using it for other purposes, some times against the shareholders and bondholders. In short, using company revenues to short companies straight into bankruptcy and a blow out of the shareholders.

At first we suspected that someone was lining their pockets, but the trail led elsewhere. It led to offshore manipulation of “price per share” of debt and equity securities through collaborative shorting schemes and even naked shorting schemes, which are illegal in the U.S. Our own FBI arrested 57 people in Operation Bermuda Shorts⁶ for illegal manipulation of smaller companies. Larger companies and larger players are doing the same. That is why Canada⁷ and the Caribbean have come into play because naked shorts offshore are done by certain unscrupulous operators.

We have reason to believe that the \$400 million in convertible instruments that Li Ka-shing was holding was nothing more than a blunt instrument for such offshore trading activity and hammering GX into bankruptcy for a cheap takeover. Such convertible instruments is the first place we always look and are the instruments that get put into offshore hedge funds with the greatest frequency.

⁶ <http://www.canadianbusiness.com/features/article.jsp?content=49390&page=1>; Matthew McClearn, October 28, 2002

⁷ <http://www.canadianbusiness.com/features/article.jsp?content=49408&page=1>; Mark Brown, October 28, 2002.

As recently as April 19, 2002, after GX filed Chapter 11, a major securities firm listed in the WGM affidavit and disclosures was “renting shares” to cover naked shorts and pass an upcoming SEC compliance review.

The only plausible reason for such actions would be to engineer bankruptcy takeovers of key and attractive assets, at low prices and intentionally defraud the stock and debt holders of companies. In short, a transfer of wealth scam that required extraordinary techniques to achieve the end objective.

In closing, the following is from a former senior engineer of Global Crossing and note that there was an effort to report this to federal authorities and someone did not follow up. Federal authorities can accept it or reject it, do something about it or not.

We are of the opinion that once noticed, sufficient notice is given.

It is time that our federal regulators and law enforcement entities address the problem and rid the markets of the predators that have literally buried millions of investors with their greed and wanton behavior. The lives of millions of investors have been upended by Wall Street, their greed machine and their “major clients” who undertake such activities.

-----Original Message-----

From: Karl W. B. Schwarz [mailto:kw.schwarz@worldnet.att.net]

Sent: Thursday, August 28, 2003 3:37 PM

To: John. G. Malcolm@usdoj. gov

Subject: See email content embedded herein

Hello Mr. Malcolm,

The following comes from a former high level GX engineer. This is the same pattern we have detected in other telecoms as to how monies were taken out the back door either to run kick back schemes, or line pockets illegally or to place funds offshore and use them to melt shareholder value down with collaborative shorting or naked shorting. This is why certain Wall Street firms and Blackstone fight so hard to keep us out. This is what we look for - not the capacity swaps and not the IRUs, both of which are contracts that can be eliminated under section 365 of the bankruptcy code.

It is more tedious to find when and how they used bond funds and shareholder capital to kill them off and facilitate bankruptcy takeovers.

It has taken almost 2 years to find a GX person willing to talk, and note that someone had already tried to alert federal authorities and someone did not follow through.

This is part of the RICO actions we are working on relating to WCG and GX. We have followed some trails and obtained hard ID on certain persons and companies.

Karl,

There may be more, either they were inflating revenue or had a kickback scheme or both in the area of wholesale international voice telephone calls.

Can't verify it and have no records so the international minutes gx reported they billed wholesale and retail customers for and IDDD minutes they reported sending to underlying carriers (UC) or completing to their own switch in the UK, should be scrutinized.

Please keep this message confidential, if you can obtain the appropriate records, what I'm telling you should be reflected in those records, either by spikes in traffic or other hidden among artificially created trends in traffic and billable minutes.

A person from carrier sales group, advised they tried to contact federal authorities about suspicious billing practices with wholesale carrier customers, stated that GX did things quite differently from FRO to no avail, although the carrier sales organization, billing system and U.S. voice network did not change when GX bought FRO.

All carriers must file international traffic reports with the FCC, it may be as simple as reviewing those records online, and finding what GX reported as revenue to the SEC for international traffic.

In 4thQ '99 they began a practice of not routing IDDD traffic for a given country code away from a UC who was in routing as first, second or third route choice, resulted in thousands of calls per hour not completing.

If the callers local telco timed out, waiting for SS7 "ack" or hardware answer from the far end (between 20-30 seconds for IDDD), that caller would get a reorder tone or dead air and have to redial, thus creating another call detail record.

Some originating calls may fall back, from the IDDD gateway switch, to the original class 4 toll office or their own class 5 central

office where the call originated on the network before the timeout occurs and be "relaunched", that depends on how their SS7 timers were set up.

If it was relaunched, it may take another route, but reappear in the same IDDD gateway switch and make another pass on the route list for that country code.

So this bizarre practice of not removing bad routes has the potential for creating thousands of call records, possibly 2 or 3 for the same call.

What is suspect, is the fact they no longer re-routed traffic away from certain UCs in the route lists and permitted the faulty conditions to exist.

Either they were using the records of incompleting calls to inflate the amount of billable international minutes or using those records to run up a bill with certain UCs, either for a kickback or so that UC could inflate its revenue and perhaps GX officers had interest in other UCs.

You have the list of UCs and wholesale carrier customers along with names of GX account teams.

Will send more info if I can locate it.

Regards,

best regards,

What else we have to say on these matters will be in formal motions filed in the SDNY bankruptcy court seeking to remove exclusivity, remove management and the Global Crossing corporate culture and put forth a much higher and better offer, as well as judicial notice of far more serious matters surrounding RICO issues and identified defendants.

It was who taught these telecoms to do this and what motivated them to do it that is truly disgusting when one looks at the personal hardships that have been wreaked upon unsuspecting investors, marriages, families, children, etc. and Washington, DC failing to punish wrongdoers. How this system is being manipulated right under the noses of federal regulators at FCC, SEC, etc. should be looked into and should be put to a stop.

The Eliot Spitzer and SEC fines were for illegally “fluffing up” valuations. It is long past due that the federal authorities look at the other side of that technique and that is offshore manipulation of a publicly traded company straight into Chapter 11 and the removal of their investing shareholders.

This Bush Administration wants investor confidence to return to the markets. It will return when the waters are rid of the sharks and not before. You just read what part of the problem is and things will get better when someone does their job.

When this Respondent was attending university many years ago, a saying was published:

“If you are not a part of the solution, you are a part of the problem.”

It appeared unfinished and the following was added:

“When it comes down to just you and me, if you are not a part of the solution, you are the problem”.

This Respondent firmly believes in right and wrong, and what has transpired is about 21 months of wrong by Global Crossing and too many insiders trying to dictate an outcome solely in their interests. Enough people have paid far too great a price for the likes of those that conceived, built and run Global Crossing.

Respectfully submitted,

Karl W. B. Schwarz
Chairman, Chief Executive
501-663-4959

Dated: August 29, 2003

CERTIFICATE OF SERVICE

I, Karl W. B. Schwarz, hereby certify that on this 29th day of August 2003, I caused a true and correct copy of the foregoing Supplemental Response In Support of National Security Issues to be served on the following parties in the manner indicated:

Qualex International
By E-mail: qualexint@aol.com

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